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COMPARISON OF CURRENT HEALTH INSURANCE PROPOSALS FOR OLDER PERSONS

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COMMITTEE ON LABOR AND PUBLIC WELFARE

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COMPARISON OF CURRENT HEALTH INSURANCE PROPOSALS FOR OLDER PERSONS

The following chart has been prepared by the staff of the Subcommittee on Problems of the Aged and Aging for use by Members of the Senate. It consists of a comparison of various selected legislative proposals regarding the financing of health care for older persons.

COMPARISON OF CURRENT HEALTH INSURANCE PROPOSALS FOR OLDER PERSONS

	McNamara bill (S. 3503) (23 cosponsors)	Morse bill (S. 881) Forand bill (H.R. 4700) (no cosponsor)	Kennedy bill (S. 2915) (1 cosponsor)	Humphrey bill (S. 1151) (no cosponsor)
Who is covered	All retired aged (except railroad and Federal retirees [1]): 11.3 million OASI beneficiaries, 1.7 million OAA recipients, 1.8 other retired men over 65 and retired women over 62.	Only OASI-eligible persons, including employed aged, also younger dependents; excluding old age assistance; Federal and railroad retirees, etc.	Same as Forand bill	Same as Forand bill.
How many	14.8 million	13.5 million		
Benefits:				
Hospitalization	90 days a year	60 days a year	90 days	Same as Forand bill (60 days).
Nursing homes	180 days; or 2 days for each unused hospital day. No prior hospitalization required.	120 days, or 2 days for each unused hospital day; only upon hospital release.	180 days, or 2 days for each unused hospital day; only upon hospital release.	Same as Forand bill (120 days).
Home health services	240 visits a year; 2⅔ visits for each unused hospital day. Includes therapy and homemaker services; medical social work, etc. No prior hospitalization required.	None	240 visits; or 2⅔ for each unused hospital day; only upon hospital or nursing home release.	None.
Surgeon's fees	None	Full payment	None	None.
Laboratory and X-ray services.	As provided for outpatient and inhospital persons by hospital and diagnostic centers. Does not require hospitalization.	Covers only inhospital patients.	Same as McNamara bill	Same as Forand bill.
Expensive drugs	All drugs used in hospital; for outside hospital, a portion of such drugs when prescribed generically. Precise amount and kinds of coverage to be determined by Secretary of HEW.	Only drugs used in hospital	Same as Forand bill	Same as Forand bill.
Research and demonstration projects to improve quality and efficiency of health services.	Provided in the bill	Not stipulated in the bill	Not stipulated in the bill	Not stipulated in the bill.
Financing method	(a) For OASI eligibles, ½ of 1 percent of 1st $4,800 wages; ⅜ percent for self-employed.	(a) Same as McNamara bill	(a) Same as McNamara bill	(a) Same as McNamara bill.
	(b) For other retirees, from general revenue ($370 million—part of which already being spent, approximately $238 million).	(b) Not provided in bill	(b) Not provided in bill	(b) Not provided in bill.
Total cost (estimated)	$1.1 billion for the 1st year; $1.5 billion annually after that (due to fact that some benefits not effective immediately).	$1.1 billion	$1.1 billion	Not given in data.

[1] These groups have an option to "buy in."

	Anderson amendment to H.R. 12580 (2 cosponsors)	Gore bill (S. 3763) (1 cosponsor)	Administration bill (Saltonstall S. 4784) (no cosponsor)	Javits amendment to H.R. 12580 (6 cosponsors)
Who is covered	All OASDI eligibles aged 68 and over.	Same as McNamara bill	All persons aged 65 and over meeting an income (means) test (*a*) not paying income tax in preceding year; (*b*) taxpayers 65-plus with income not exceeding $2,500 ($3,800 for couples).	Persons 65 and over who (*a*) meet an income-means schedule as defined by each of the States choosing to participate; or (*b*) pay complete premium by themselves if not meeting schedules.
How many	Approximately 9 million	Same as McNamara bill	Estimated 12.5 million, if all States participate, with non-OAA aged choosing to pay $24 fee.	Estimated 10 million might qualify or choose to participate, if all States join.
Benefits:				
Hospitalization	365 days, with initial $75 deductible, repeated after 24th day in hospital.	60 days a year	180 hospital days	At least 21 days; more depending on each State's decision.
Nursing homes	180 days, only upon hospital release.	120 days; or 2 days for each unused hospital day; no prior hospitalization required.	365 days	Number of days equivalent to cost of hospital days provided, as defined by State.
Home health services	Visiting nurses, 365 days per year	180 visits a year, or 3 visits for each unused hospital day. Includes same services as McNamara bill.	365 days	At least 24 visiting-nurse days; more depending on each State's decision.
Surgeon's and physician's fees.	None	Full payment for surgery; maximum of 25 home or office visits; or 2 home visits, 4 office visits for each unused hospital day.	Unlimited (dental services included) (private-duty nursing included in hospital).	At least 12 home or office physician visits. Surgery, dental care, and other medical services if State plan so provides.
Laboratory and X-ray services.	Covers only in-hospital patients	Same as McNamara bill	Maximum of $200	1st $100 of costs.
Drugs	Only drugs provided in hospital	All used in hospital; outside hospital, generically prescribed drugs not to exceed requirements for 30 consecutive days treatment per calendar year.	Maximum of $350 *or* *Option to all of above benefits* Federal State cash subsidy of 50 percent of premium up to $60 per year for private major medical insurance policy.	Optional, depending on each State.
Research and demonstration projects to improve quality and efficiency of health services.	Same as McNamara bill	Same as McNamara bill	Not provided in bill	Not stipulated in bill.

Comparison of Current Health Insurance Proposals for Older Persons—Continued

	Anderson amendment to H.R. 12580 (2 cosponsors)	Gore bill (S. 3763) (1 cosponsor)	Administration bill (Saltonstall, S. 4784) (no cosponsor)	Javits amendment to H.R. 12880 (6 cosponsors)
Financing method	(a) Same as McNamara bill	(a) Same as McNamara bill	Requires initiation by each State to match Federal grants averaging 50 percent, with equalization formula, ranging from ½ to ¾ for Federal share.	(a) States match Federal grants to pay difference between total premium cost (commercial, public or nonprofit) and aged person's subscription charges.
	(b) Not provided in amendment	(b) Appropriations from general fund (no data on estimated cost).		(b) Subscription charges to individual: amount to depend on schedule determined by each State, but not exceeding monthly premium of $13.
Total cost (estimated)	$530 million for early years costs	$1.54 billion, early full years	*Million* Individual enrollment and coinsurance costs $540 Federal share 600 States share 600 Federal PA share 100 Total 1,840	If 70 percent of aged participate, and assuming maximum participation by all States: *Million* Federal share $480 States 620 Individuals [2] 400 Total 1,500

[2] Except for lowest-income persons, aged would pay for insurance up to $13 a month.